Approved for Release: 2018/10/02 C02996488

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3.5(c)

The
National Intelligence
Daily

3.5(c)

NR

Published by the Director of Central Intelligence for Named Principals Only

Copy No. 193

MONDAY MAY 10, 1976 VOLUME 3, NUMBER 110

3.5(c)

TOP SECRET

Approved for Release: 2018/10/02 C02996488

NR Approved for Release: 2018/10/02 C02996488 (C)
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Argentina

Pay Raise; Arrests

In an effort to head off trouble from organized labor, Argentina's military junta has decreed an across-the-board 15-percent pay hike, effective June 1. The government has also arrested a number of businessmen accused of price gouging.

The pay increase will be augmented by increases in family allowances. Even so, workers will not be able to keep pace with inflation, which is running at 30 to 35 percent a month.

The arrest of businessmen is designed to give substance to the junta's earlier promise to punish anyone who tries to take unfair advantage of its decision to lift price controls. One of the government's early acts was to remove such controls in an effort to avert shortages of consumer goods. Among those detained is the local head of a US-owned firm.

The arrests may also be a gesture toward organized labor at a time when much of the junta's economic policy most directly benefits business.

Although the junta has moved to deprive labor of the political and economic power it held during the Perón regimes, the government cannot afford to alienate workers. Even though the unions are now under close government supervision, they could still be politically disruptive. A highly restive work force would be difficult if not impossible to keep in line without recourse to the repressive tactics the junta has thus far successfully avoided.

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